



Department of State **TELEGRAM**

EXCISE

711

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ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 ARA-16 EA-11 NEA-10 RSC-01
CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10
PA-03 PRS-01 SPC-03 SS-15 USIA-15 ACDA-19 IO-13 EB-11
COME-00 INT-08 SCEM-02 TRSE-00 OMB-01 CIEP-02 DRC-01

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R 201327Z SEP 73
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 0560
INFO AMEMBASSY THE HAGUE
AMEMBASSY LONDON

CONFIDENTIAL TRIPOLI 1219

E.9. 11652: GDS
TAGS: ENRG LY
SUBJECT: OIL NATIONALIZATION: TEMPORARY STALEMATE ON
IMPLEMENTATION

REF: TRIPOLI 1199

1. IF AS WE UNDERSTAND IT THE KEY INDICATOR OF WHETHER CERTAIN OIL IS NATIONALIZED IS WHETHER IT IS SHIPPED AS CONSIGNED FROM THE NOC, ONE HAS TO DESCRIBE PRESENT SITUATION AS IN A STALEMATE TEMPORARILY FAVORING THE MAJOR OIL COMPANIES IN LIBYA. WE HASTEN TO ADD THAT WE DOUBT THIS SITUATION WILL GO ON MUCH LONGER, AND THAT THE MAIN REASON IT EXISTS AT ALL IS THAT THE LARGE IS STILL SCRAMBLING TO FIND MEANS TO OPERATE THE MAJORS' FIELDS AND PORTS, EVEN AT A GREATLY REDUCED CAPACITY, THEREBY AVOIDING CERTAIN TECHNICAL PROBLEMS AND THE COSTS OF RESTARTING PRODUCTION.

2. SINCE THE ENFORCED LOADING OF AN (AMOSEAS) TANKER

DEPARTMENT OF STATE A/CDC/MR	
REVIEWED BY: <i>cf</i>	DATE: <i>12/20/82</i>
RDSE or XDS ☐ EXT. DATE	REASON(S)
TS AUTH	ENDORSE EXISTING MARKINGS ☒
DECLASSIFIED ☐ RELEASABLE ☒	RELEASE DENIED ☒ IN CR.
PA of FOI EXEMPTIONS: <i>B1, A9</i>	

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WITH NOC CRUDE LAST WEEK, AN ACT THAT WAS PUBLICIZED HERE AS PROOF OF THE LARG'S SUCCESS, THERE HAVE BEEN NO MORE INSTANCES TO OUR KNOWLEDGE AS OF THIS WRITING. (WE ARE NOT NECESSARILY AU COURANT AT ANY GIVEN TIME, HOWEVER.) WE HAVE HEARD RELIABLY THAT, ON THE CONTRARY, THE MAJORS ARE SHIPPING CRUDE AT A RAPID CLIP PENDING THE NEXT DEMAND FOR AN NOC LOADING, WHICH IS EXPECTED VAGUELY WITHIN A FEW DAYS. EVEN SHELL HAS LOADED OUT AT LEAST THREE TANKERS SINCE SEPTEMBER 11. ITS CASE IS SPECIAL. AT FIRST OASIS SET ASIDE ONE SIXTH OF OASIS PRODUCTION IN ITS TANKS AT THE PORT, CALLING THAT OIL THE "SHELL PORTION" OF ITS UNDIVIDED PRODUCTION. BY SEPT 11 THE TANKS WERE FULL OF SUCH OIL AND SOMETHING HAD TO GIVE. THE LARG GAVE, IN EFFECT, BY ALLOWING SHELL TANKERS TO LOAD. OTHERWISE ONE SIXTH OF ALL OASIS EXPORTS COULD BE ATTACHED AS HOT OIL.

3. AS TO JALLUD'S TWO OPTIONS (REFTEL PARA 3 A AND B), WE LEARN [REDACTED] HAS REPORTED THEY ARE ACTUALLY THREE, A POINT STILL DISPUTED BY [REDACTED] ANYWAY, TO TRY TO CLARIFY MATTERS, [THE ESSENCE OF THE "THIRD OPTION" IS IDENTICAL TO OPTION B) EXCEPT THAT IT WOULD INVOLVE NO SIGNED AGREEMENT TO THAT EFFECT. EACH SIDE WOULD OPERATE MERELY ON THE BASIS OF ORAL UNDERSTANDINGS, WHICH WOULD NOT BE PUBLICIZED. WE UNDERSTAND THAT [REDACTED] HAS BEEN INTRIGUED ENOUGH BY THE THIRD OPTION TO ASK FOR CLARIFICATIONS

[REDACTED] /IN CONTRAST [REDACTED]

[REDACTED] REPORTEDLY IS PREPARED TO RENDER A RESOUNDING "NO" TO ALL OF JALLUD'S PROFFERED OPTIONS, BUT IS WAITING TO BE CALLED IN TO SAY SO. [REDACTED] HAS ALREADY GIVEN ITS NEGATIVE ANSWER, AND NO ONE SEEMS TO KNOW WHAT SHELL IS DOING BY WAY OF REPLY TO JALLUD.

4. IF ADDRESSEES CAN SHED ANY LIGHT ON THIS SITUATION, IT WOULD BE APPRECIATED.

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